MICHIGAN COMMISSION OF AGRICULTURE Constitution Hall Atrium Level, Con-Con Conference Room 525 West Allegan Street Lansing, Michigan 48933

MEETING MINUTES FEBRUARY 13, 2008

PRESENT:

James Byrum, Chairperson
Ann Jousma-Miller, Vice Chairperson (via teleconference)
Dale Norton, Secretary
Don Coe, Commission of Agriculture
Todd Regis, Commission of Agriculture
Don Koivisto, Director, Michigan Department of Agriculture

CALL TO ORDER AND ROLL CALL

Chairperson Byrum called the meeting of the Commission of Agriculture to order at 9:20 a.m. on Wednesday, February 13, 2008. Commissioner Dale Norton called the roll with Commissioners Byrum, Norton, Regis, Jousma-Miller, and Director Koivisto present. Commissioner Coe joined the meeting at 9:35 a.m.

APPROVAL OF AGENDA

It was noted one item had recently been added to the agenda, a retirement resolution for Diane Schulte to be reviewed during the Commissioner Issues.

MOTION: COMMISSIONER REGIS MOVED APPROVAL OF THE AMENDED FEBRUARY 13, 2008, AGENDA. SECONDED BY COMMISSIONER NORTON. MOTION CARRIED.

APPROVAL OF JANUARY 14, 2008, MEETING MINUTES

Commissioner Coe noted a correction to the minutes relative to his travel in December, which should be changed to the Great Lakes Fruit and Vegetable Expo on December 4, 2007.

MOTION: COMMISSIONER JOUSMA-MILLER MOVED TO APPROVE THE JANUARY 14, 2008, MEETING MINUTES WITH THE NOTED CHANGE. SECONDED BY COMMISSIONER REGIS. MOTION CARRIED.

NEXT SCHEDULED MEETING

The next scheduled meeting will be held on March 19, 2008, at Constitution Hall; it will follow a meeting of the Lansing Agriculture Club to be held at the Radisson

Hotel, to be hosted by the Michigan Farm Bureau, and at which Senate Majority Leader, Michael Bishop will be speaking and Speaker of the House, Andy Dillon has been invited to speak.

COMMISSIONERS' TRAVEL

No Commissioner travel was submitted for reimbursement.

COMMISSION COMMENTS:

Commissioner Jousma-Miller reported she attended the recent Northwest Michigan Orchard and Vineyard Show held in Traverse City.

Delta County is pleased that Hanson Potato Farms of Delta County was instrumental in being a part of the "Buy Michigan First" program. Potatoes will be supplied to the Newberry Correctional Facility for sorting and grading; and then sent to correctional facilities around the State. She also noted there have been several Value-added Grant Program workshops, as well as Alternative Energy seminars in the Upper Peninsula (U.P.) recently, which she has attended.

On February 26, Michigan State University (MSU) and Michigan Technological Institute will host a Forest Industry Seminar focusing on bio-fuels that will feature a delegation of forestry representatives from Sweden. That same week, James Epiloto will be in the U.P. for a meeting with Michigan Economic Development Corporation (MEDC) partners.

On February 9, there was a meeting in the Garden Peninsula relative to wind energy, which Heritage Sustainable Energy from Traverse City has been working on for about a year. The partners are pleased with the project; however, lake shore home owners are not receptive to the installation of a wind energy facility in their "back yards."

This coming weekend is the Great Lakes SnoCross Challenge event to be held at the U.P. State Fairgrounds. She noted the Fairgrounds stay busy all winter serving as Delta County's Event Center.

Commissioner Coe reported he attended the USDA-MSU Product Development Center Grant seminar in Traverse City last week, at which Commissioner Jousma-Miller represented MDA and the U.P. area; he represented the Grand Traverse area and made a presentation concerning MDA Agriculture Development Division and the Julian-Stille Program.

He attended the Orchard and Vineyard Show in Traverse City; he also joined a small Farm Market conference in Grayling, at which criticism was expressed between the small farmers and the organic farmers. Commissioner Byrum noted

MDA needs to continue communicating agriculture's positive message, which will further encourage the agriculture industry in Michigan.

Also, he met recently with MEDC President, James Epolito as part of the MEDC Partners Program whereby visits are coordinated with local and regional economic development corporations, as well as industry and business leaders to discuss how MEDC might more actively partner with them. He noted that Mr. Epolito was not fully aware of the various challenges currently being faced by the agriculture industry.

Commissioner Coe was interviewed by Michigan Public Radio recently, which has been airing statewide. Two weeks ago, an article in the Detroit Free Press focused on an issue that the grape and wine industry is facing with inappropriate, disruptive behavior by groups of tourists in the wine-tasting rooms. He offered to take the lead in working with MDA staff and the Michigan Grape and Wine Industry Council to meet with the Michigan Liquor Commission and members of the industry to develop a remedy to this situation, perhaps through permitting wineries to charge for samples in the tasting rooms. He reported the Liquor Commission does allow charging for tasting under certain conditions, and the goal would be to accomplish a remedy within the existing rules.

Commissioner Norton reported on various issues revolving around the current high grain prices, including problems locating land for production of commodities and some liquidation occurring in the hog industry. Animal treatment issues are also causing concern. In addition, volatility continues in the Futures Market due to margin call issues.

He attended the recent Michigan Cattlemen's Association meeting, at which Director Koivisto provided excellent comments on the agriculture industry.

Commissioner Norton has recently been working with the hog industry and attended meetings in Kansas City and Des Moines; he is participating on a task force for humane euthanasia, a committee for research development on group housing for animals, and a committee relative to the animal agriculture industry trust and image issue.

He plans to attend the Agriculture and Natural Resources Week, in particular, the "Balancing Agriculture and the Communities" program on February 29, 2008.

In response to question by Commissioner Coe, discussion ensued regarding the feral swine issue. Constituents believe the threat is overstated; however, it does pose a very real threat to the hog industry and Director Koivisto reported the department continues to closely monitor the situation. In follow-up to the joint resolution of the Michigan Department of Natural Resources (DNR) and MDA

concerning the eradication of all hogs on hunting preserves, Commissioner Byrum reported this issue is currently with the Legislature.

Commissioner Byrum reported the Farm Bill debate continues, and because it expired October 1, 2007, it poses a critical funding issue. And, because traditional commodity prices are high, it is difficult to obtain specialty crop acres. He also discussed the various critical concerns in the agriculture industry caused by the current trend in margin calls and volatility in the market, coupled by a slow stock market.

Commissioner Byrum recently met with James Epolito from MEDC and Dean Jeff Armstrong from MSU to brief them on various agriculture industry issues. In addition, he noted there currently is contemplation of organizing an agriculture growth conference to highlight the potential growth opportunities in the industry.

Relative to the North American Free Trade Agreement (NAFTA), he noted there have been protests in various U.S. cities recently, primarily related to the corn, beans, and sugar industries. The agriculture industry is supportive of renegotiation of the agreement, provided it includes all agriculture commodities and related industries.

DIRECTOR'S REPORT

Director Koivisto recognized Christine Medaugh, a Michigan Department of Agriculture (MDA) employee from the Geagley Laboratory, who recently returned from a tour of duty in Iraq. The Commission joined the director in expressing their appreciation of the great service she has provided to our country.

He reported on highlights of the National Association of State Departments of Agriculture (NASDA) conference in Washington, D.C., which he attended last week. Session topics included animal treatment issues, the Farm Bill, NAFTA, ethanol issues, state meat inspection, and potential of a centralized mid-west bio-economy office.

The United States Department of Agriculture (USDA) report of the Bovine Tuberculosis Program Review that was conducted November 5-9, 2007, was just received. Dr. Steve Halstead will review the report later in the meeting. In general, the report was favorable, and he acknowledged the extensive efforts by Deputy Director Phyllis Mellon and MDA staff to implement improvements in the program. He confirmed this success will be shared with partners and stakeholders.

He also reported the Renewable Fuels Commission will meet on Friday, February 15, 2008. Liesl Clark, Policy Advisor for MDA, will be facilitating activities for that Commission.

The MDA initial budget proposal is basically unchanged for the year (the original 5% cuts have been eliminated), and the department continues to work behind the scenes to improve agriculture's position. The Legislature is supportive of agriculture and continues to encourage the department to work toward expanding the agriculture economy.

Commissioner Regis inquired relative to efforts being made to discuss budget issues and the potential of acquiring additional funding for MDA. Director Koivisto reported MDA submitted to the Legislature in early January the topical areas needing additional funding, with economic development being one in particular. Also, there have been budget discussions in general at the Cabinet level and meetings with Legislative Subcommittees have begun. Commissioner Byrum noted that individual Commissioners, as well as the industry, have the ability to weigh in on the budget issues.

The 2007 MDA Accomplishments Report, produced jointly with the Governor's office, was well received by the Cabinet. The report has also been distributed to stakeholders. There are many exciting economic developments within agriculture.

Director Koivisto recently met with Senator McManus relative to the Julian-Stille Grant Program and believes there is momentum toward restoration of the grant program, in addition to continuation of its loan aspect. Commissioner Coe reported he will also be meeting with Senator McManus in this regard.

On January 29, 2008, Director Koivisto attended the Governor's State of the State Address. Because the Governor was unable to target every industry, the MDA 2007 Accomplishments Report was publicized two days later. The Governor is very supportive of agriculture's efforts.

In response to a question from Commissioner Coe, Director Koivisto reported NASDA will be providing a comprehensive report on the migrant labor situation and MDA is looking at how we can proactively address the issues to help minimize the migrant worker situation anticipated this summer. Additionally, he reported the Michigan Legislature is reviewing the state's restrictive driver's license policy.

Relative to current legislative activities, House Bills 5584 and 5585, which update the Dairy Laws, have passed the House and are in the Senate Agriculture Committee. Senate Bills 1007 and 1008 are the Senate versions of the Dairy Laws and should pass the Senate this week. The Concentrated Animal Feeding Operation (CAFO) Workgroup began reviewing draft bills last week. Liesl Clark

has been meeting with staff from both chambers on the renewable fuels draft legislation, which should be introduced February 14, 2008.

DIRECTOR'S TRAVEL

Director Koivisto has no upcoming out-of-state travel planned.

PUBLIC COMMENT (AGENDA ITEMS ONLY)

There was no public comment relative to agenda items.

MICHIGAN HORSE COUNCIL UPDATE: Ann Louise Budd, Director, Michigan Horse Council

Ms. Ann Louise Budd, Director of the Michigan Horse Council (MHC), shared information about the upcoming annual International Stallion Exhibition and Trade Show (Expo), which is the 25th anniversary of the show and 35th anniversary of the Michigan Horse Council. She invited Commissioners to attend the Expo and noted the Office of the Racing Commissioner's Horse of the Year will be recognized at the reception Saturday night.

She highlighted the various MHC activities, including national-level meetings at various locations, the Equine Conference at MSU in December, MHC "Day at the Races," helping to fund the Michigan Equine Survey, promoting horse related activities as part of tourism in Michigan, completing a \$80,000 pledge for the South Barn on the MSU campus (plus \$15,000 for the stalls), helping to raise funds for the covered outdoor arena at the MSU Pavilion, continuing to spread the word on Lyme disease, funding a \$35,000 scholarship at MSU, and supporting various other scholarship and grants programs.

She noted the Expo event funds all of MHC activities and, according to the Lansing Visitors Convention Bureau, the MHC Expo is consistently one of the top five events in the mid-Michigan area based on dollars generated for the local economy.

COMMISSION RESOLUTION

Chairperson Byrum reviewed a resolution before the Commission honoring the 25th anniversary year of the Michigan Horse Council Stallion Exhibition and Trade Show; congratulating them on twenty-five years of growth and success with the Stallion Exhibition and Trade Show; and expecting that the Michigan Horse Council will continue to have an even greater impact in the 21st century and beyond by providing equine events that will delight generations to come.

MOTION: COMMISSIONER COE MOVED THE RESOLUTION HONORING THE MICHIGAN HORSE COUNCIL 25TH ANNIVERSARY OF THE INTERNATIONAL STALLION EXHIBITION AND TRADE SHOW

BE ADOPTED. COMMISSIONER REGIS SECONDED. MOTION CARRIED.

Donald Wasserman, from State Representative Byrum's office, presented Ann Louise Budd with a tribute on behalf of the Michigan Legislature in recognition of her 25 years of outstanding service with the Michigan Horse Council.

Commissioner Coe noted in the last few years, MHC has added considerable revenue to the Grand Traverse local economy through the "Horse Show by the Bay" events held each summer.

Discussion ensued relative to concerns surrounding the humane treatment of horses, activities of the Unwanted Horse Coalition, and the Horse Slaughter Act.

Commissioner Byrum congratulated Ms. Budd and the Michigan Horse Council for their outstanding efforts over the last 25 years and thanked her for her superb leadership.

BOVINE TUBERCULOSIS (TB) PROGRAM UPDATE: Dr. Steven Halstead, State Veterinarian

Dr. Steven Halstead reported MDA designated a Potential High Risk Area (PHRA) for portions of losco County as a result of confirmation of a bovine TB positive deer in that area. As required by law, cattle and goat herd TB testing in the losoco PHRA has been initiated, which is estimated to include 90-110 herds. In response to a question from Commissioner Coe, Dr. Halstead reported that based on the zoning order, herds required to conduct annual testing have been tested 5-7 times since 2002. A meeting is being held in losoco County later this month to address any questions residents may have relative to this latest development.

Additionally, a deer from Shiawassee County, which is located more than 100 miles south of the TB Zone, may be positive for bovine TB. Confirming DNR test results should be received by the end of this month. Plans are being implemented to test up to thirty herds in that area if the results are positive. At the invitation of local entities, MDA will be attending a meeting this evening in Owosso to answer residents' questions relative to the potential for bovine TB in that area.

The USDA report of the Tuberculosis Program Review that was conducted November 5-9, 2007, was received earlier this week. A copy, with redaction of names (in accordance with Public Act 466 of 1988, as amended), was shared with the Commission. Distribution to stakeholders and other agencies will be completed later this week.

Discussion ensued regarding the eight key recommendations noted in the report, which included: move to targeted surveillance; enhance privately owned cervid farm surveillance; post signs on major and minor roads between the Modified Accredited Advanced Zone (MAAZ) and Modified Accredited Zone (MAZ) and seek legal authority to stop vehicles hauling livestock; establish and implement an effective herd reconciliation program in the MAZ; trace every animal destined for slaughter and confirm that slaughter; develop a statewide information technology system that will match back tags at sale yards with electronic ID; DNR pursue stronger compliance with baiting and feeding bans and motivate wildlife land owners to become part of the solution; and seek legislation to tie indemnity to herd plans and repopulation of farms.

The findings and recommendations contained in the report will serve as a framework for future discussion and decision-making as we increase the effectiveness of our efforts to eradicate Bovine TB. Livestock producers and MDA will need continued support from the Agriculture and Natural Resources Commissions, the Michigan congressional delegation, and the State Legislature.

Commissioner Byrum noted DNR plans to work with MDA on recommendations as applicable; and regular reports to the Commission will be forthcoming as we move toward a more positive posture in the eradication efforts. Director Koivisto reported publication of Bovine TB eradication program efforts continue on a regular basis.

2008 MICHIGAN FARM BUREAU POLICIES: Tonia Ritter, Michigan Farm Bureau

Ms. Tonia Ritter distributed copies of the 2008 Michigan Farm Bureau (MFB) Policy Book, which she noted is now available online in a searchable format. She provided a brief history of its development and highlighted the new items added to the policies book this year: water management legislation; funding legislation relative to critical agriculture programs; balanced, reliable energy sources; animal care regulations; legislative and regulatory reforms; land use policy; taxation issues; and support of a sustainable agriculture workforce.

BUDGET UPDATE: Amy Epkey, MDA Budget Officer

Ms. Amy Epkey noted that with release of the Executive Budget last week, the legislative budget process has begun. MDA presented to the House Appropriations Subcommittee this morning, which incorporated a historical budget presentation and departmental overview, including MDA's priorities as we move forward. The Subcommittee requested a presentation on the Bovine TB Program at one of their future meetings.

She reviewed the 2009 Executive Budget overview document and highlighted the major funding/authorization changes within the 2009 Executive Budget as

compared to the 2008 Budget. The major change is a \$1.7 million increase for the Bovine TB Program.

GENERALLY ACCEPTED AGRICULTURE MANAGEMENT PRACTICES (GAAMPS):
Gordon Wenk, Director, Environmental Stewardship Division; Wayne Whitman,
Right to Farm Program Manager, Environmental Stewardship; Professor Lee
Jacobs, Nutrient Utilization Task Force Chair; Professor Larry Olsen, Pesticide
Utilization and Pest Control Task Force Chair; and Lyndon Kelley, Irrigation Water
Use Task Force member

Mr. Gordon Wenk reported the GAAMPs review schedule now allows for their being in place prior to the growing season. He complimented the GAAMPs chairs and their committees for their efforts in meeting this accelerated schedule.

Mr. Wayne Whitman briefly reviewed the various steps involved in the GAAMPs annual review process. He then reviewed and explained the specific changes in the Site Selection and Odor Control for New and Expanding Livestock Production Facilities, the Manure Management and Utilization, the Nutrient Utilization, and the Irrigation Water Use GAAMPs being presented with proposed revisions. Dr. Lee Jacobs joined Mr. Whitman in explaining the Nutrient Utilization GAAMPs and Mr. Lyndon Kelley joined him for discussion of the Irrigation Water Use GAAMPs.

Mr. Whitman reported that no proposed changes are being presented for the Care of Farm Animals, Cranberry Production, or Pesticide Utilization and Pest Control GAAMPs.

In response to question by Commissioner Byrum, Mr. Whitman reported MDEQ has been involved in discussing the various concerns related to the GAAMPs; and there also is an on-going MDA/MDEQ Environmental Agriculture Committee which addresses many of those practices and provides suggested changes to the GAAMPs as well.

MOTION: COMMISSIONER NORTON MOVED TO ADOPT WITH NO CHANGES FOR 2008 THE CARE OF FARM ANIMALS, THE CRANBERRY PRODUCTION, AND THE PESTICIDE UTILIZATION AND PEST CONTROL GAAMPS; AND TO ADOPT FOR 2008 THE SITE SELECTION AND ODOR CONTROL FOR NEW AND EXPANDING LIVESTOCK PRODUCTION FACILITIES, THE MANURE MANAGEMENT AND UTILIZATION, THE NUTRIENT UTILIZATION, AND THE IRRIGATION WATER USE GAAMPS WITH PROPOSED CHANGES. COMMISSIONER REGIS SECONDED. MOTION CARRIED.

<u>FARM MARKETS – NEXT STEPS: Gordon Wenk, Director, Environmental</u> Stewardship Division

Mr. Gordon Wenk summarized progress being made relative to previously discussed farm market and agriculture tourism issues and how Right to Farm impacts those operations. MDA staff has developed a multi-interest task force, chaired by MSU, to identify the practices, ideas, and concerns related to this segment of the agriculture industry, and to explore the feasibility of developing Farm Market and Agriculture Tourism GAAMPs. The goal is to present recommendations to the Commission by the end of this summer.

Commissioner Coe reported he attended the Papadelis trial to observe what is happening relative to Telly's Greenhouse and Garden Center in Troy, and he noted this issue is one of concern to the Municipal League, who funded the City of Troy's efforts in the Supreme Court. He also has had conversations with Mr. Amos and noted the issue that remains is clarification (in relation to agriculture tourism and value-added agriculture) as to what constitutes allowable agricultural practices on agricultural land. He noted that because agriculture is changing and small farms may look entirely different five years from today, there is a need for a regulatory environment that will ensure people who are making investments can do so with some confidence that investment can be carried through to fruition.

Mr. Wenk reported the current issue that remains in the Papadelis situation is clarification within the ordinance. This type of issue will be specifically addressed within the new task force with the goal of providing clarification for businesses in the future.

Relative to Mr. Amos, Mr. Wenk reported MDA has followed-up with MDEQ and with the county enforcing agency relative to the soil erosion permits and those issues have been resolved. Progress continues in working with MDEQ on the wetlands issue and they hope to obtain resolution soon.

Commissioner Jousma-Miller mentioned the current wind energy project in the U.P. and its negative impact on the community, which objects to the structures. Commissioner Coe reported on issues that have arisen in the Grand Traverse area in this regard. Discussion ensued regarding the various concerns surrounding wind energy, in particular, recognizing an absence of best practices for this industry. Commissioner Byrum reported the Michigan Agri-Business Association and Michigan Farm Bureau have requested MSU Extension to revisit the various wind energy issues as related to the agriculture industry.

In response to question by Commissioner Jousma-Miller, Mr. Wenk provided an update on the meeting last month with Conservation District representatives. The districts continue in their efforts to meet their numerous goals in working with

the department and MDA supports that effort. The Conservation Districts continue to be a valuable delivery mechanism for our programs.

COMMISSIONER ISSUES

Chairperson Byrum reviewed two retirement resolutions before the Commission. The Commission recognized David Creighton upon his retirement from the Agriculture Development Division after more than 12 dedicated years with the State of Michigan. Commissioner Coe commended David for his extensive work with the Grape and Wine Industry Council and expressed his appreciation on behalf of the wine industry.

MOTION: COMMISSIONER COE MOVED THE RESOLUTION RECOGNIZING DAVID L. CREIGHTON BE ADOPTED WITH BEST WISHES FOR HIS LONG AND HEALTHY RETIREMENT. COMMISSIONER REGIS SECONDED. MOTION CARRIED.

Next, the Commission recognized Diane Schulte upon her retirement, also from the Agriculture Development Division, after 29 years with the State of Michigan, 18 of those being with the Michigan Department of Agriculture.

MOTION: COMMISSIONER REGIS MOVED THE RESOLUTION RECOGNIZING DIANE M. SCHULTE BE ADOPTED WITH BEST WISHES FOR HER LONG AND HEALTHY RETIREMENT. COMMISSIONER NORTON SECONDED. MOTION CARRIED.

Commissioner Byrum mentioned the potential of an Agriculture Growth Conference in the near future and requested MDA assistance as planning moves forward on this effort.

Commissioner Norton reported he continues to work toward a Commission meeting in his district in September of this year.

PUBLIC COMMENT

No public comment was requested.

ADJOURN

MOTION: COMMISSIONER JOUSMA-MILLER MOVED TO ADJOURN THE MEETING. COMMISSIONER COE SECONDED. MOTION CARRIED.

The meeting was adjourned at 11:59 a.m.

Attachments:

- A) Agenda

- Agenda
 Agriculture Commission Meeting Minutes January 14, 2008
 C) Legislative Status February 2008
 D) Michigan Horse Council Information Packet
 E) Resolution Honoring the Michigan Horse Council 25th Anniversary
 F) Bovine Tuberculosis Program Review

- G) 2008 Michigan Farm Bureau Policy Book H) MDA 2009 Executive Budget Overview, February 13, 2008
- I) Final Draft GAAMPs
- J) Retirement Resolutions for David L. Creighton and Diane M. Schulte